

Introduced by Senator Battin

January 14, 2005

An act to amend Section 11011.18 of, and to add Title 15.7 (commencing with Section 97500) to, the Government Code, relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

SB 99, as introduced, Battin. State real property: California Asset Review and Divestiture Commission.

(1) Existing law requires the Department of Transportation to furnish to the Department of General Services, and annually update, a record of each parcel of real property that it possesses, including lands, buildings, office buildings, maintenance stations, equipment yards, and parking facilities. Existing highways, airspace, excess lands, and properties acquired for highway projects are exempted from this requirement.

This bill would delete the exemption for excess lands and properties acquired for highway projects.

(2) Existing law requires each state agency, and the University of California, to report to the Department of General Services, and annually update, a record of each parcel of real property it possesses, and requires the department to maintain a complete and accurate statewide inventory of all real property held by the state.

This bill would establish the Commission on Asset Review and Divestiture in state government, to consist of a specified membership, with staff support to be provided by the Director of General Services. It would require the commission to review the statewide inventory of real property prepared by the Department of General Services, including the record of real property possessed by the Department of Transportation, according to specified criteria, and to report its

findings, along with recommendations as to property to be divested, to the Legislature and to the Department of General Services, and to the Regents of the University of California with respect to real property owned by, or under the jurisdiction or held for the benefit of, the university. It would require the department, notwithstanding any other provision of law, to divest the real property pursuant to the recommendations of the commission, except with respect to property owned by, or under the jurisdiction or held for the benefit of, the University of California.

(3) Existing law establishes the Fiscal Recovery Fund in the State Treasury, and continuously appropriates moneys in the fund in an amount that will equal sums necessary to repay the principal and interest on, and various costs associated with, bonds issued for the purpose of paying the accumulated state budget deficit, until the Director of Finance notifies specified entities that certain conditions have been met.

This bill would state the intent of the Legislature that the proceeds of any sale or other divestiture under this bill of property funded from any source subject to statutory or constitutional restriction, be subject to that same restriction. It would also state the intent of the Legislature that proceeds of any sale or other divestiture of property funded from any General Fund source not subject to statutory or constitutional restriction, be deposited into the Fiscal Recovery Fund for payment on the bonds and associated costs, and upon the notification by the Director of Finance described above, be deposited in the General Fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the
- 2 following:
- 3 (a) A significant portfolio of properties that do not fit within
- 4 the core mission of state government exists on the state property
- 5 inventory prepared pursuant to Sections 11011.15 and 11011.18
- 6 of the Government Code. As a result, state resources, manpower,
- 7 and strategic focus are directed away from higher priority
- 8 quality-of-life activities.

1 (b) In order to enable state government to focus on
2 core-mission activities and ensure that the state holds only the
3 property necessary to support these activities, California needs a
4 mechanism similar to the federal Base Realignment and Closure
5 (BRAC) process, that addresses the process challenges and that
6 can overcome political hurdles.

7 (c) Therefore, it is the intent of the Legislature to enact
8 legislation to establish an independent commission to review and
9 recommend state property for divestiture.

10 SEC. 2. Section 11011.18 of the Government Code is
11 amended to read:

12 11011.18. The Department of Transportation, by July 1, 2002,
13 shall furnish to the Department of General Services a record of
14 each parcel of real property that it possesses, including lands,
15 buildings, office buildings, maintenance stations, equipment
16 yards, and parking facilities. This ~~furnishing~~ requirement does
17 not apply to existing highways, ~~and~~ airspace, ~~excess lands, and~~
18 ~~properties acquired for highway projects~~. The record shall be
19 furnished by the Department of Transportation to the Department
20 of General Services in a uniform format specified by the
21 Department of General Services. The Department of General
22 Services shall consult with the Department of Transportation on
23 the development of the uniform format. The Department of
24 Transportation shall update its record of these real property
25 holdings, reflecting any changes, by July 1 of each year. The
26 record shall include the following information:

27 (a) The location of the property within the state and county,
28 the size of the property, including its acreage, and any other
29 relevant property data.

30 (b) The date of acquisition of the real property, if available.

31 (c) The manner in which the property was acquired and the
32 purchase price, if available.

33 (d) A description of the current uses of the property and any
34 projected future uses, if available.

35 (e) A concise description of each major structure on the
36 property.

37 SEC. 3. Title 15.7 (commencing with Section 97500) is added
38 to the Government Code, to read:

1 TITLE 15.7. COMMISSION ON ASSET REVIEW AND
2 DIVESTITURE

3
4 97500. (a) The Commission on Asset Review and Divestiture
5 is hereby established in state government.

6 (b) (1) The commission shall consist of 12 members, to be
7 appointed as follows:

8 (A) Eight members appointed by the Governor. The Governor
9 shall designate a chairperson from these appointees.

10 (B) One member appointed by the President pro Tempore of
11 the Senate, and one member appointed by the Senate Minority
12 Leader.

13 (C) One member appointed by the Speaker of the Assembly,
14 and one member appointed by the Assembly Minority Leader.

15 (2) Appointees shall be subject to confirmation by the Senate.

16 (c) Members shall serve four-year terms, with the initial
17 membership to be appointed no later than December 31, 2006.

18 (d) Members of the commission shall serve without
19 compensation, but shall be reimbursed for reasonable and
20 necessary travel expenses.

21 (e) The Director of General Services shall provide staff
22 support to the commission.

23 97501. (a) In every odd-numbered year, the commission
24 shall review the inventory of real property prepared pursuant to
25 Sections 11011.15 and 11011.18, according to the following
26 criteria:

27 (1) The core mission of state government and impacts on
28 service delivery.

29 (2) The availability and condition of land and facilities.

30 (3) The potential to relocate core functions elsewhere within
31 state government.

32 (4) The extent and timing of potential cost savings, including
33 whether the total cost savings from divestiture will, by the end of
34 a six-year period after divestiture, exceed the amount expended
35 in the divestiture.

36 (5) The extent and timing of potential cost savings from
37 alternative ownership arrangements for existing property, such as
38 private sector leaseback arrangements, or from renegotiation of
39 leases, redevelopment of property, or relocation, among other
40 strategies.

1 (6) The economic impact of divestiture on the community
2 where the property is located.

3 (7) The environmental impact of divestiture of the property.

4 (b) State agencies shall cooperate with any request for
5 information made by the commission in carrying out its review.

6 97502. The commission shall report its findings, along with
7 recommendations as to property to be divested, to the
8 Legislature, to the Department of General Services, and with
9 respect to property owned by, or under the jurisdiction or held for
10 the benefit of, the University of California, to the Regents of the
11 University of California, no later than December 31 of every
12 even-numbered year.

13 97503. (a) Notwithstanding any other provision of law, the
14 Department of General Services shall divest property pursuant to
15 the recommendations of the commission, commencing 90
16 calendar days after the commission has submitted its
17 recommendations to the Legislature and the department.

18 (b) This section shall not apply to property owned by, or under
19 the jurisdiction or held for the benefit of, the University of
20 California.

21 97504. (a) It is the intent of the Legislature that the proceeds
22 of any sale or other divestiture under this title of property funded
23 from any source subject to statutory or constitutional restriction,
24 be subject to that same restriction.

25 (b) (1) It is the intent of the Legislature that the proceeds of
26 any sale or other divestiture under this title of property funded
27 from any General Fund source not subject to statutory or
28 constitutional restriction, be deposited into the Fiscal Recovery
29 Fund established pursuant to Section 99008 and continuously
30 appropriated pursuant to Section 99072, for payment of sums
31 described in subdivision (a) of Section 99072.

32 (2) It is the intent of the Legislature that, upon the notification
33 by the Director of Finance described in subdivision (b) of Section
34 99006, proceeds of any sale or other divestiture described in
35 paragraph (1) be deposited in the General Fund.